

2001 DRAFTING REQUEST**Bill**Received: **01/16/2001**Received By: **rmarchan**Wanted: **As time permits**

Identical to LRB:

For: **Jon Erpenbach (608) 266-6670**By/Representing: **julie**This file may be shown to any legislator: **NO**Drafter: **rmarchan**

May Contact:

Alt. Drafters:

Subject: **Fin. Inst. - miscellaneous**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Free copy of credit report and information provided by credit reporting agencies

Instructions:

See Attached. Require credit reporting agencies to provide one free copy of credit report annually and to notify individuals when their credit report is accessed and by whom.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 01/16/2001	wjackson 01/16/2001					State
/P1	rmarchan 03/13/2001	jdye 03/13/2001	pgreensl 01/17/2001		lrb_docadmin 01/17/2001		State
/1			martykr 03/13/2001		lrb_docadmin 03/13/2001	lrb_docadmin 03/13/2001	

FE Sent For:

<END>

01/17/2001 12:24:16 PM

Page 1

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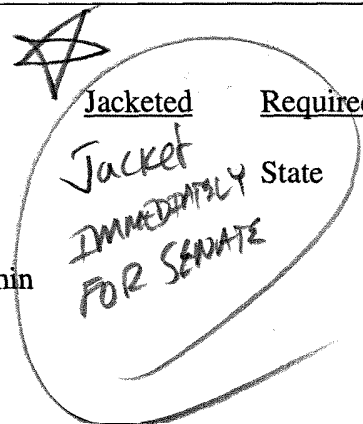
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/?	rmarchan 01/16/2001	wjackson 01/16/2001					
/P1		1 3/13 jld	pgreensl 01/17/2001		lrb_docadmin 01/17/2001		

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See Attached. Require credit reporting agencies to provide one free copy of credit report annually and to notify individuals when their credit report is accessed and by whom.

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1/?	rmarchan	1/16 WJ	1/16 PG	1/17 PG/IS			

FE Sent For:

<END>

2001 DRAFTING REQUEST**Bill**Received: **12/27/2000**Received By: **rmarchan**Wanted: **As time permits**

Identical to LRB:

For: **Jon Erpenbach (608) 266-6670**By/Representing: **julie**This file may be shown to any legislator: **NO**Drafter: **rmarchan**

May Contact:

Alt. Drafters:

Subject: **Fin. Inst. - miscellaneous**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

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Instructions:

See Attached. Require credit reportin agencies to provide one free copy if credit report annually and to notify individuals when their credit report is accessed and by whom.

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<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan	1/1 1/2 ju	1/2 PG1	==			

FE Sent For:

<END>

BAD LRB #. Changed to LRB-2088

Marchant, Robert

From: Laundrie, Julie
Sent: Wednesday, December 20, 2000 10:06 AM
To: Marchant, Robert
Subject: Drafting request

Rob;

Senator Erpenbach would like a bill drafted to require credit bureaus to provide one free copy of an individuals credit report annually upon request. In addition, he would like to require credit bureaus to notify individuals when their credit report is accessed and by whom.

I know there are issues with the federal Fair Credit Reporting Act(so we wouldn't be surprised by a drafters note) but the Senator wants to go ahead anyway.

Thank you very much. Have a happy holiday!

Julie

*Julie Laundrie
Office of Senator Jon Erpenbach
Room 20 South, 266-6670*

2088/P1
1645/P1DUE
1-31

Cm/K

NOTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Regen

- 1 AN ACT *to create* subchapter V of chapter 224 [precedes 224.991] of the statutes;
- 2 **relating to:** disclosure of credit reports and providing a penalty.

Analysis by the Legislative Reference Bureau

Wisconsin law currently does not specifically regulate the disclosure of credit reports to consumers by a credit reporting agency (agency). However, under current federal law, an agency must provide a consumer with five pieces of information upon request: all nonmedical information contained in the agency's files on the consumer, the sources of that information, the recipients of any credit report concerning the consumer, information regarding any checks that form the basis of an adverse characterization of the consumer, and a record of certain inquiries received by the agency that identified the consumer. Generally, unless the consumer's request is pursuant to a denial of credit or to a notice that the consumer's credit may be adversely affected, the agency may charge up to \$8 for this disclosure. In certain circumstances, federal law prohibits an agency from disclosing the sources of information in a consumer's file. ^{also}

This bill requires an agency, upon request, to provide one free written disclosure report to a consumer per year. In addition to the disclosure required by the federal law, this bill requires the agency to provide the consumer with a current credit report and a clear and concise explanation of the contents of the written disclosure report. This bill prohibits an agency from making certain disclosures prohibited under federal law. A person who violates this bill may be fined up to \$500 for a first offense and may be fined up to \$1,000 or imprisoned for up to six months or both for a subsequent offense within six months.

This bill requires an agency to notify any individual ~~who is a resident of this state~~ whenever the agency discloses information concerning the individual to anyone other than the individual. ~~The agency must also inform the individual of the identity of the person to whom the information was disclosed.~~

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Subchapter V of chapter 224 [precedes 224.991] of the statutes is created to read:

CHAPTER 224

SUBCHAPTER V

CONSUMER REPORTING AGENCIES

224.991 Definitions. In this subchapter:

(1) “Consumer report” has the meaning given in 15 USC 1681a (d).

(2) “Consumer reporting agency” has the meaning given in 15 USC 1681a (f).

(3) “File” has the meaning given in 15 USC 1681a (g).

(4) “Investigative consumer report” has the meaning given in 15 USC 1681a

(e).

(5) “Summary of rights” means the information a consumer reporting agency is required to provide under 15 USC 1681g (c).

224.993 Disclosure to individual. (1) IN GENERAL. A consumer reporting agency shall, upon the written request of an individual, provide the individual with a written disclosure report within 5 business days after receiving the written request.

(2) CONTENTS. Except as provided in sub. (4), the written disclosure report provided under sub. (1) shall contain all of the following:

(a) A current consumer report pertaining to the individual.

(b) The date of each request for credit information pertaining to the individual received by the consumer reporting agency during the 12 months before the date that the consumer reporting agency provides the written disclosure report.

(c) The name of each person requesting credit information pertaining to the individual during the 12 months before the date that the consumer reporting agency provides the written disclosure report.

(d) The dates, original payees, and amounts of any checks upon which any adverse characterization of the consumer is based.

(e) Any other information contained in the individual's file.

(f) A clear and concise explanation of the contents of the written disclosure report.

(g) A summary of rights.

(3) COST. A consumer reporting agency shall provide the written disclosure report required under sub. (1) free of charge, unless the individual has requested a written disclosure report from the consumer reporting agency during the preceding 12 months.

(4) EXCEPTIONS. A consumer reporting agency may not disclose to an individual making a request under sub. (1) any of the following:

(a) The sources of any information that was both acquired solely for use in preparing an investigative consumer report and used for no other purpose.

(b) Any credit score or other risk score or predictor relating to the consumer.

(5) PENALTY. Any person who violates this section may be fined not more than \$500 for the first offense and may be fined not more than \$1,000 or imprisoned for

WSget
3-21

224.997

(5)

PENALTY

Penalties

(6)

subchapter

1 not more than 6 months or both for each subsequent offense occurring within 6
2 months.

3 (END)

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1665/Plins
RJM:.....

INSERT 3-21

224.995[✓] Notification of individuals regarding disclosure. ~~(1)~~

~~NOTIFICATION REQUIRED.~~ Except as provided in sub. (2), if a[✓] consumer reporting agency discloses information concerning an individual to any person other than that individual, the consumer reporting agency shall promptly notify the individual, in writing, of all of the following:

- ③ → ① (a) The fact that the consumer reporting agency has disclosed information concerning the individual.
- ② → ② (b) The date of the disclosure.
- ③ → ③ (c) The name and address of the person to whom the disclosure was made. ✓

~~(2) EXCEPTION. Subsection (1) does not apply if the end user of the disclosed information is an agency or department of the U. S. government and the identity of the person receiving the information would be prohibited under 15 USC 1681g (a) (3) (C) from being disclosed under 15 USC 1681g (a) (3) (A).~~

(end ins 3-21)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0668/P1da

RJM:cm:km

February 25, 1999

new
date

1. The attached draft requires a credit reporting agency (agency) to provide one free disclosure report to a consumer per calendar year. The federal Fair Credit Reporting Act would generally allow the agency to charge up to \$8 for each additional disclosure. The federal law also requires free disclosure if the consumer's request is in response to a denial of credit or to a notice that the consumer's credit rating may be adversely affected. If this fee arrangement is not what you intended, please let me know.

2. I have incorporated the definitions contained in the federal law into this draft. Please contact me, if the federal definitions are not consistent with your intent.

3. The federal law requires an agency to disclose five pieces of information to a consumer upon request: all nonmedical information contained in the agency's files on the consumer, the sources of that information, the recipients of any credit report concerning the consumer, information regarding any checks that form the basis of an adverse characterization of the consumer, and a record of certain inquiries received by the agency that identified the consumer. This draft requires the agency to disclose certain additional information. I modeled these disclosure requirements after a combination of other states' laws. Please review the disclosure requirements and let me know if you desire any changes.

4. I have left the penalty section of this draft blank. Typically, violations of the Wisconsin Consumer Act (Act) are subject to one of the blanket penalty provisions in the Act. These penalty provisions are contained in ss. 425.302 to 425.304. Generally, for violations unrelated to an underlying consumer transaction, these provisions would require a payment to the consumer of either \$25 or \$100, plus damages. The Connecticut consumer credit reporting law requires a \$100 fine for a first offense and escalating criminal penalties for subsequent offenses. In addition, the federal law provides different levels of penalties for wilful, knowing, and negligent noncompliance. After you have determined what type and amount of penalty you intend, please give me a call.

Once you have reviewed the above issues, please contact me and I will incorporate your requested changes into this draft. I will then be able to redraft the bill in introducible form. Also, please feel free to call, if you have any other questions.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: Robert.Marchant@legis.state.wi.us

Portions of
5. This draft may be preempted by the Fair Credit Reporting Act. If you would like me to research this issue or would like to discuss the issue generally, please contact me.

to discuss the issue generally, please contact me. ~~Revisions to the draft made by inserting the exception in proposed~~

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2088/P1dn
RJM:jld:pg

January 16, 2001

1. The attached draft requires a credit reporting agency (agency) to provide one free disclosure report to a consumer per calendar year. The federal Fair Credit Reporting Act would generally allow the agency to charge up to \$8 for each additional disclosure. The federal law also requires free disclosure if the consumer's request is in response to a denial of credit or to a notice that the consumer's credit rating may be adversely affected. If this fee arrangement is not what you intended, please let me know.

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4. The penalty section of this draft is also based on 1999 AB-289. If you desire a different penalty, please give me a call.

5. Portions of this draft may be preempted by the Fair Credit Reporting Act. If you would like me to research this issue or would like to discuss the issue generally, please contact me.

Once you have reviewed the above issues, please contact me and I will incorporate any requested changes into this draft. I will then redraft the draft in introducible form. Also, please feel free to call, if you have any other questions.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: Robert.Marchant@legis.state.wi.us



State of Wisconsin
2001 - 2002 LEGISLATURE

1
LRB-2088/41

RJM:jld:pg

TODAY

PMK

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This bill requires an agency to notify any individual whenever the agency discloses information concerning the individual to anyone other than the individual. The agency must also inform the individual of the identity of the person to whom the information was disclosed. This bill also requires an agency, upon request, to provide one free written disclosure report to a consumer per year. In addition to the disclosure required by the federal law, this bill requires the agency to provide the consumer with a current credit report and a clear and concise explanation of the contents of the written disclosure report. This bill prohibits an agency from making

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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3 **CHAPTER 224**

4 SUBCHAPTER V

5 CONSUMER REPORTING AGENCIES

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10 (4) “Investigative consumer report” has the meaning given in 15 USC 1681a
11 (e).

12 (5) “Summary of rights” means the information a consumer reporting agency
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14 **224.993 Disclosure to individual.** (1) IN GENERAL. A consumer reporting
15 agency shall, upon the written request of an individual, provide the individual with
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18 (2) CONTENTS. Except as provided in sub. (4), the written disclosure report
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2 (b) The date of each request for credit information pertaining to the individual
3 received by the consumer reporting agency during the 12 months before the date that
4 the consumer reporting agency provides the written disclosure report.

5 (c) The name of each person requesting credit information pertaining to the
6 individual during the 12 months before the date that the consumer reporting agency
7 provides the written disclosure report.

8 (d) The dates, original payees, and amounts of any checks upon which any
9 adverse characterization of the consumer is based.

10 (e) Any other information contained in the individual's file.

11 (f) A clear and concise explanation of the contents of the written disclosure
12 report.

13 (g) A summary of rights.

14 (3) COST. A consumer reporting agency shall provide the written disclosure
15 report required under sub. (1) free of charge, unless the individual has requested a
16 written disclosure report from the consumer reporting agency during the preceding
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18 (4) EXCEPTIONS. A consumer reporting agency may not disclose to an individual
19 making a request under sub. (1) any of the following:

20 (a) The sources of any information that was both acquired solely for use in
21 preparing an investigative consumer report and used for no other purpose.

22 (b) Any credit score or other risk score or predictor relating to the consumer.

23 **224.995 Notification of individuals regarding disclosure.** If a consumer
24 reporting agency discloses information concerning an individual to any person other

than that individual, the consumer reporting agency shall promptly notify the individual, in writing, of all of the following:

(1) The fact that the consumer reporting agency has disclosed information concerning the individual.

(2) The date of the disclosure.

(3) The name and address of the person to whom the disclosure was made.

224.997 Penalties. Any person who violates this subchapter may be fined not more than \$500 for the first offense and may be fined not more than \$1,000 or imprisoned for not more than 6 months or both for each subsequent offense occurring within 6 months.

(END)